

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7517

BILL NUMBER: SB 549

NOTE PREPARED: Jan 12, 2011

BILL AMENDED:

SUBJECT: Indiana public retirement system.

FIRST AUTHOR: Sen. Boots

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☐ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: Pending

Summary of Legislation: Establishes the Indiana public retirement system (system) to administer and manage: (1) the public employees' retirement fund (PERF); (2) the teachers' retirement fund (TRF); (3) the judges' retirement fund; (4) the prosecuting attorneys retirement fund; (5) the state excise police, gaming agent, gaming control officer, and conservation enforcement officers' retirement fund; (6) the 1977 police officers' and firefighters' pension and disability fund; (7) the legislators' retirement system; (8) the pension relief fund; (9) the special death benefit fund; and (10) the state employees' death benefit fund. Creates a nine member board of trustees for the system (board) consisting of: (1) three members appointed by the governor (including the director of the budget agency (or designee) serving as an ex officio voting member); (2) two members appointed by the speaker of the house of representatives; (3) two members appointed by the president pro tempore of the senate; (4) the auditor of state (or designee); and (5) the treasurer of state (or designee). Requires that initial appointments to the board give a preference for those individuals who, on June 30, 2011, are serving as trustees of PERF and TRF, and provides that a PERF or TRF trustee appointed to the board serves until the trustee's term would have expired under prior law. Provides for a four year term for trustees. Provides that a trustee is strongly encouraged to complete annually at least 12 hours of trustee education. Provides that five trustees constitute a quorum and requires a majority vote of the trustees present in order for the board to adopt a resolution or take other action at a regular or special meeting. Requires the system's chief investment officer and the officer's staff to file annual financial disclosure statements with the inspector general. Provides that the board's powers and duties are the combined powers and duties of the PERF and TRF boards. Provides that each retirement fund continues as a separate fund managed by the board. Provides for a director of the system who is appointed by and serves at the pleasure of the board. Provides that employees of PERF and TRF remain members of those funds. Provides that new hires of the system become PERF members, unless the director expressly determines otherwise. Allows the board to establish contribution rate groups for PERF, and removes the requirement that each employer have a separate

account within the retirement allowance account. Repeals provisions that establish the PERF and TRF boards and require PERF and TRF to hire a common director. Repeals corresponding definitions and cross-references.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Chuck Mayfield, 317-232-4825.